

## Annual Report

Category	Item	Value	Unit
Agriculture	Wheat	1200	kg
	Rice	800	kg
	Corn	500	kg
	Soybeans	300	kg
	Cotton	200	kg
	Vegetables	100	kg
	Fruits	50	kg
	Flowers	20	kg
	Herbs	10	kg
	Medicines	5	kg
Manufacturing	Steel	1500	kg
	Aluminum	1000	kg
	Copper	500	kg
	Iron	300	kg
	Brass	200	kg
	Plastic	100	kg
	Textiles	50	kg
	Chemicals	20	kg
	Electronics	10	kg
	Automotive	5	kg
Construction	Cement	2000	kg
	Bricks	1500	kg
	Blocks	1000	kg
	Timber	500	kg
	Roofing	300	kg
	Insulation	200	kg
	Paint	100	kg
	Glue	50	kg
	Tools	20	kg
	Machinery	10	kg
Retail	Shirts	1000	kg
	Pants	800	kg
	Shoes	500	kg
	Accessories	300	kg
	Electronics	200	kg
	Books	100	kg
	Stationery	50	kg
	Household	20	kg
	Personal Care	10	kg
	Food	5	kg
Healthcare	Medicines	1500	kg
	Medical Equipment	1000	kg
	Diagnostic Tools	500	kg
	Immunizations	300	kg
	First Aid Kits	200	kg
	Band-Aids	100	kg
	Antibiotics	50	kg
	Vaccines	20	kg
	Stethoscopes	10	kg
	Thermometers	5	kg
Education	Textbooks	1000	kg
	Workbooks	800	kg
	Reference Books	500	kg
	Study Materials	300	kg
	Lab Equipment	200	kg
	Classroom Supplies	100	kg
	Teacher Resources	50	kg
	Student Supplies	20	kg
	Administrative Tools	10	kg
	Research Materials	5	kg

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## **Kovilpatti Lakshmi Roller Flour Mills Limited**

**Board of Directors**
**V. JAGANNATHAN**
*Chairman*
**K. SELVARAJ**
**N.V. SRINIVASAN**
**J. CHANDRAKANTHI**
*Managing Director*
**SURESH JAGANNATHAN**
*Joint Managing Director*
**V.N. JAYAPRAKASAM**
*Executive Director*
**SUDARSAN VARADARAJ**
**Auditor**
**P. Marimuthu, B.Com., F.C.A.**

Chartered Accountant, Tirunelveli

**Bankers**

Canara Bank

IDBI Bank Ltd.,

**Registered Office**

75/8, Benares Cape Road

Gangaikondan - 627 352

**Administrative Office**

1054/21, Avanashi Road

Coimbatore - 641 018

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 Flour Mill & Textile Division - I  
 Gangaikondan - 627 352

 Sheet Metal Division  
 Perianaickenpalayam  
 Coimbatore - 641 020

 Textile Division - II  
 N. Subbiahpuram - 626 205

**Kovilpatti Lakshmi Roller Flour Mills Limited****NOTICE**

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Wednesday the 27th September, 2000 at 10.00 a.m., at the Company's Registered Office at Gangaikondan, Tirunelveli District to transact the following business :

**ORDINARY BUSINESS**

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2000 the Balance Sheet as at that date and the report of the Directors and Auditor.
2. To declare a dividend.
3. To appoint a Director in the place of Sri. V. Jagannathan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Sri. K. Selvaraj who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditor and fix his remuneration.

**SPECIAL BUSINESS**

6. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.**

"Resolved that pursuant to Section 228 (3) of the Companies Act, 1956 Sri. C.N. Srivatsan, Chartered Accountant be and is hereby appointed as Branch Auditor of the Company to hold office upto the conclusion of the next Annual General Meeting to audit the books of accounts of the Sheet Metal Division for the financial year 2000-2001 on such remuneration as may be determined by the Managing Director."

7. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.**

"Resolved that pursuant to the provisions of Sections 189, 269, 310 and other applicable provisions if any, of the Companies Act, 1956, approval be and is hereby accorded for re-appointment of Smt. J. Chandrakanthi as Vice Chairman of the Company on the following terms and conditions for a period of five years from 01.12.2000 to 31.12.2005.

**Remuneration**

- I. **Salary** : Rs. 45000/- per month with an annual increment of Rs. 5000/-
- II. **Commission** : 1.50% on the Net Profit of the Company.
- III. **Perquisites** : In addition to salary and commission perquisites shall be allowed as detailed below.

**Kovilpatti Lakshmi Roller Flour Mills Limited****a. Housing :**

Unfurnished accommodation will be provided. In its absence 60% of the salary will be paid as house rent allowance.

**b. Perquisites :**

The following perquisites shall be allowed subject to a maximum of 40% of the salary.

- (i) Leave travel concession for her and her family once in a year.
- (ii) Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.
- (iii) Club expenses subject to a maximum of Rs. 5000/- per month shall be reimbursed except admission and life membership fees.
- (iv) Health and Personal Accident Insurance cover for her.
- (v) Reimbursement of medical expenses incurred for her and her family.

**c. Others :**

Provision of telephone and car.

The Vice Chairman shall also be eligible for the following benefits which shall not be included in the computation of ceiling on the remuneration.

- (i) Contribution to Provident Fund, Superannuation Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
- (ii) Payment of Gratuity at the end of the tenure shall not exceed half a month's salary for each year of completed service or at the rate as may be notified by the Government from time to time.

In the event of no profits or inadequacy of profits, the remuneration payable to Smt. J. Chandrakanthi, Vice Chairman will not exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

**8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.**

"Resolved that pursuant to the provisions of Sections 189, 269, 310 and other applicable provisions if any, of the Companies Act, 1956, approval be and is hereby accorded for re-appointment of Sri. Suresh Jagannathan as Managing Director of the Company on the following terms and conditions for a period of five years from 11.03.2001 to 10.03.2006."

**Remuneration**

- I. **Salary** : Rs. 40000/- per month with an annual increment of Rs. 5000/-
- II. **Commission** : 1.50% on the Net Profit of the Company.

**Kovilpatti Lakshmi Roller Flour Mills Limited**

**III. Perquisites :** In addition to salary and commission perquisites shall be allowed as detailed below.

**a. Housing :**

Unfurnished accommodation will be provided. In its absence 60% of the salary will be paid as house rent allowance.

**b. Perquisites :**

The following perquisites shall be allowed subject to a maximum of 40% of the salary.

- (i) Leave travel concession for him and his family once in a year.
- (ii) Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.
- (iii) Club expenses subject to a maximum of Rs. 5000/- per month shall be reimbursed except admission and life membership fees.
- (iv) Health and Personal Accident Insurance cover for him.
- (v) Reimbursement of medical expenses incurred for himself and his family.

**c. Others :**

Provision of telephone and car.

The Managing Director shall also be eligible for the following benefits which shall not be included in the computation of ceiling on the remuneration.

- (i) Contribution to Provident Fund, Superannuation Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
- (ii) Payment of Gratuity at the end of the tenure shall not exceed half a month's salary for each year of completed service or at the rate as may be notified by the Government from time to time.

In the event of no profits or inadequacy of profits, the remuneration payable to Sri. Suresh Jagannathan, Managing Director will not exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

**9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.**

"Resolved that pursuant to the provisions of Sections 189, 269, 310 and other applicable provisions if any, of the Companies Act, 1956, approval be and is hereby accorded for re-appointment of Sri. V.N. Jayaprakasam as Executive Director of the Company on the following terms and conditions for a period of five years from 01.07.2001 to 30.06.2006."

**Kovilpatti Lakshmi Roller Flour Mills Limited****Remuneration**

- I. **Salary** : Rs. 35000/- per month with an annual increment of Rs. 5000/-
- II. **Commission** : 0.50% on the Net Profit subject to a maximum of Rs. 5 lacs.
- III. **Perquisites** : In addition to salary and commission perquisites shall be allowed as detailed below.

**a. Housing :**

Unfurnished residential accommodation will be provided. In its absence 60% of the salary will be paid as house rent allowance.

**b. Perquisites :**

The following perquisites shall be allowed subject to a maximum of 40% of the salary.

- (i) Leave travel concession for him and his family once in a year.
- (ii) Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.
- (iii) Club expenses subject to a maximum of Rs. 3000/- per month shall be reimbursed except admission and life membership fees.
- (iv) Health and Personal Accident Insurance cover for him.
- (v) Reimbursement of medical expenses incurred for himself and his family.

**c. Others :**

Provision of telephone and car.

The Executive Director shall also be eligible for the following benefits which shall not be included in the computation of ceiling on the remuneration.

- (i) Contribution to Provident Fund, Superannuation Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act.
- (ii) Payment of Gratuity at the end of the tenure shall not exceed half a month's salary for each year of completed service or at the rate as may be notified by the Government from time to time.

In the event of no profits or inadequacy of profits, Sri. V.N. Jayaprakasam, Executive Director will be eligible for a special allowance of Rs. 1 lac and the total remuneration payable to him will not exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

**Kovilpatti Lakshmi Roller Flour Mills Limited****Annexure to Notice****EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No. 6**

As per Sec. 228 (3) of the Companies Act, 1956, Branch Auditors are required to be appointed at the general meetings. Accordingly, Auditors are being appointed at every annual general meeting for the respective financial year to audit the accounts of the Sheet Metal Division of our Company.

The proposed resolution set out in Item No. 6 of the notice seeks the authorisation of the members to appoint Auditors for the year 2000-2001.

None of the Directors is in any way concerned or interested in this resolution.

**Item No. 7**

The present tenure of Smt. J. Chandrakanthi, Managing Director, shall be expiring by 30th November, 2000. The Board of Directors consider that it will be in the interest of the Company to continue to have the benefits of the service and advice of the Managing Director. In view of the knowledge and experience in the industry, the Company can utilise her services for the future growth by the proposed re-appointment as Vice Chairman for another term of five years.

None of the Directors except Sri. V. Jagannathan, Smt. J. Chandrakanthi and Sri. Suresh Jagannathan are interested in the resolution.

**Item No. 8**

The present tenure of Sri. Suresh Jagannathan, Joint Managing Director, shall be expiring by 10th March, 2001. The Board of Directors consider that it will be in the interest of the Company to continue to have the benefits of the service and advice of the Joint Managing Director. In view of the knowledge and experience in the industry, the Company can utilise his services for the future growth by the proposed re-appointment as Managing Director for another term of five years.

None of the Directors except Sri. V. Jagannathan, Smt. J. Chandrakanthi and Sri. Suresh Jagannathan are interested in the resolution.

**Kovilpatti Lakshmi Roller Flour Mills Limited****Item No. 9**

The present tenure of Sri. V.N. Jayaprakasam, Executive Director, shall be expiring by 30th June, 2001. The Board of Directors consider that it will be in the interest of the Company to continue to have the benefits of the service and advice of the Executive Director. In view of the knowledge and experience in the industry, the Company can utilise his services for the future growth by the proposed re-appointment as Executive Director for another term of five years. The remuneration and perquisites mentioned in the resolution are in accordance with the Schedule XIII of the Companies Act, 1956.

None of the Directors except Sri. V.N. Jayaprakasam is interested in the resolution.

Date : 21st June, 2000  
Place : Gangaikondan

By order of the Board  
**V. JAGANNATHAN**  
Chairman

**NOTES :**

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Instrument appointing a proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.

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**Kovilpatti Lakshmi Roller Flour Mills Limited****REPORT OF THE DIRECTORS**

Dear Shareholders,

The Directors are pleased to present their Thirtyeighth Annual Report together with the audited statement of accounts for year ended 31st March, 2000.

**FINANCIAL RESULTS**

31.03.2000      31.03.1999  
(Rs. in Lakhs)

Profit before financial charges and depreciation	470.05	274.52
Less : Financial charges	190.89	207.87
Profit before depreciation	279.16	66.65
Less : Depreciation	152.84	173.47
Profit before tax	126.32	-106.82
Less : Provision for tax	46.27	—
Net Profit after tax	80.05	-106.82
Transfer from Investment Allowance Reserve	18.42	48.62
Balance profit from previous year	48.93	130.15
Profit available for appropriation	147.40	71.95
<b>Appropriations</b>		
Proposed Dividend	31.39	20.93
Provision for Dividend Tax	7.11	2.09
Transfer to Debenture Redemption Reserve	51.00	—
Transfer to General Reserve	5.00	—
Balance to be carried forward	52.90	48.93
	147.40	71.95

**REVIEW OF OPERATIONS :****RESULTS**

The turnover of the Company has increased to Rs. 75.73 crores registering an increase of 27.60% compared to previous year. The Company has earned a pre tax profit of Rs. 126.32 lakhs.

### **Kovilpatti Lakshmi Roller Flour Mills Limited**

Flour Milling operations continued to be satisfactory with increased turnover and higher profits. The Sheet Metal Division has earned reasonable profits mainly from machine building activity.

Operational results of the Textile Division have improved due to favourable trends in cotton prices and increased demand for yarn from South East Asian countries.

You would be pleased to know that both the textile units have been awarded ISO 9002 certification.

#### **OUTLOOK FOR THE YEAR**

The Government policies with respect to the raw material for flour milling operations have been fluctuating.

Customs duty imposition of 50% on wheat imports has rendered wheat import unviable.

Open market sale price by FCI has also been increased steeply. Currently wheat is being purchased from northern markets. Considering the good rabi harvest, prices are likely to remain stable.

Cotton prices have been firming up in the last two months and the trend is likely to continue till arrival of the new crop.

Your Company has initiated several steps towards increasing efficiency of operation and cost reduction. As a result overall improvement in profitability is anticipated.

#### **FINANCE**

Your Company has availed a loan amount of Rs. 116 lakhs under TUF scheme from IDBI to modernise the manufacturing facility in the Textile Division. The Company has raised Rs. 255 lakhs to augment long term working capital needs by issuing non convertible debentures to IDBI.

#### **DIVIDEND**

The Directors have recommended a tax free dividend of 15%.

#### **FIXED DEPOSITS**

The Company continued to accept fixed deposits during the year and there were no unclaimed deposits as on 31.3.2000.